

Alternate Revenue Source Initial Consideration

Washington State Law Enforcement
Officers' and Fire Fighters' Plan 2
Retirement Board

May 24, 2006

Brief Summary

- Strategic Plan
- Funding Examples from Washington
- Funding Examples from Other States

Strategic Plan

- Priority Goals

- Enhance Benefits for the Members
- Maintain the Financial Integrity of the Plan

- Key Tactic

- Research Alternative Revenue Sources

Funding Examples - Washington

- Firemen's' Pension Fund

- 25% of the tax collected on fire policies, the fire component of homeowner's & commercial multi-peril policies

Funding Examples - Washington

- Volunteer fire fighters' and reserve officers' relief and pensions
 - 40% of funds from fire insurance premium tax
- First Class City Police Relief and Pension
 - Funds collected for licenses issued
 - Fines and forfeitures for violation of city ordinance

Funding Examples – Other States

- Florida Municipal Police & Fire
 - Premium tax on property (1.85%) and casualty (0.85%) insurance
- Oklahoma Teachers' Retirement Fund
 - 3.75% of sales and income tax
 - 5% of lottery revenue

Funding Examples – Other States

- Illinois Fire Fighter Pension for Cities over 500,000
 - Property tax levy - 2.26 times employee contributions from two years prior to assessment year

Funding Examples – Other States

- West Virginia

- Proposed \$5.5 billion sale of Pension Obligation Bonds
- Fire Protection Fund receives one-half of 1% of insurance premium tax

Funding Examples – Other States

- Rhode Island

- Sale of surplus property

- California

- Transfer of surplus real estate to retirement fund

Alternate Revenue Source

Questions?